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CENTRAL INTELLIGENCE AGENCY NATIONAL FOREIGN ASSESSMENT CENTER

12 February 1980

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MEMORANDUM	
Italian Situation	25X1
Summary	
Despite growing pressure for a change of government leadership, Italy's three major political parties may have no choice but to keep Prime Minister Cossiga's government—or something very similar to it—in office through this spring's nationwide local elections. The Christian Democrats, Communists, and Socialists apparently are reluctant to risk a government crisis and the inevitable confrontation over the question of including the Communists in a successor government until they have reevaluated their relative positions after the local vote. In the meantime, Cossiga will act merely as a caretaker—unable to take decisive action to treat the country's many	
problems.	25X1
The "Communist question" once again has become the primary topic of political debate in Italy because of a growing perception among Italians that effective government is impossible without some Communist support. Prime Minister Cossiga has been unable to obtain the parliamentary backing necessary to combat Italy's pressing institutional, economic and public order problems. The Communists apparently are helping their own cause by mobilizing their constituents to exploit the perception of governmental impotence and to tout the advantages of an option including	051/4
the Communists.	25X1
This memorandum, requested by the Department of Treasury, was prepared by the Western Europe Division, Office of Political Analysis. The paper has been coordinated with the National Intelligence Officer for Western Europe. Research was completed on 8 February 1980. Questions and comments may be addressed to the Chief, Western Europe	25X1
Division Office of Political Analysis,	25X1
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Communist prospects have also been strengthened by a major shift in the policy of the Socialist Party-an essential component of any non-Communist majority. Acting under the pressure of their left wing, which favors a government including the Communists, the Socialists have threatened to bring down Cossiga by refusing to abstain on key parliamentary votes. Despite fears that precipitating a crisis could hurt Socialist electoral chances this spring, party leaders may have no choice but to follow through on this threat unless the Christian Democrats sanction a government including the Communists at their party congress scheduled to open later this month.

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Communist chances for a direct governing role have also been affected by the Soviet invasion of Afghanistan--which has once again brought to the fore the issue of the Italian party's relationship with Moscow. Communist leaders have tried to parry renewed expressions of doubt about their party's "autonomy" by condemning the Soviet action. At the same time, in an effort to assuage those party militants who desire a more clearly pro-Moscow line, Communist leaders have criticized US countermeasures and called for European initiatives to dampen tensions and restore detente.

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Some Christian Democrats reportedly view the Communist stance on the Soviet invasion as as a "break with Moscow" that removes one of the strongest arguments for excluding the party from an enhanced governmental role. Continued skepticism, however, among other Christian Democrats probably will permit the party congress only to approve cooperation with the Communists falling short of inclusion in the government. This concession will be unacceptable to the Communists who have promised their constituents they will accept nothing less than cabinet seats. The Communist stance, in turn, will force the Socialists to act.

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Socialist leaders--trying to find a way out of their dilemma-have agreed to interparty "program" negotiations for a "guided crisis"
that would keep Cossiga in place until some mutually agreeable alternative
could be found. All the major parties except the Communists have already
agreed to these talks; the Communists may decline unless the Christian
Democrats and some of the smaller parties concede that a program agreement
might lead to a government including the Communists. The proximity of
the June elections, however, makes it highly unlikely that any party
would make such a concession and risk damaging its prospects at the
polls. If agreed upon, protracted negotiations probably would avoid
charges of Socialist culpability in a crisis, fulfill the Christian
Democrats' desire to extend Cossiga's tenure as long as possible, and
allow the Communists to go into the election opposing a sitting government.
In any case, serious negotiations aimed at overcoming the political
stalemate will not begin until after the elections.

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